

and other things that would be necessary if we were dealing with a new epidemic of low birth weight babies.

If we are really talking about investments that make sense, if we are talking about reforms that make sense, then we should be putting more money into this program, not less. However, that is not in the contract.

We often have these academic debates around here, and it sometimes helps to put a little bit of a face on it. My background is in gerontology. I have worked with senior citizens. I have seen seniors—people who have given their whole lives, raised a couple of generations, their kids, their grandkids, and worked and worked and worked, and are living on a small Social Security—I have seen them cry when I brought them a hot meal, because it was the only hot meal that they had had in days.

Are we going to end these programs? Are we going to turn back the clock? The Contract would, or it will say, "Well, we are going to give a block grant to the States, but we are going to cut the funding." How are the States going to pick up that additional burden? If the Contract is honest, then the Contract will adopt the unfunded mandates legislation tomorrow so we know what costs we are shifting to the States next year.

NEW REFORMS BRING BADLY NEEDED DISCIPLINE TO GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. LOBIONDO] is recognized for 5 minutes.

Mr. LOBIONDO. Mr. Speaker, we joined together just a few short weeks ago in an initial gift, really, I think, to the citizens of this country by in a bipartisan way coming together to vote on the Congressional Accountability Act. I believe that that can set the stage for the endeavor that we are now embarking on, which would allow us to give another gift to the American people, that of a balanced budget amendment.

Mr. Speaker, my district, the southern part of New Jersey, is rural and agricultural. We have many small businesses. I try to get around to the fire halls, the church halls, for the barbecues, for the breakfasts, to listen to people, to look in their eyes, and to be able to hear what their concerns are.

What they have told me is that they do not understand why Congress does not live in the real world the way they do. They tell me that they live with a balanced budget amendment of their own. They cannot spend more than they take in, not for very long, whether they are individuals or whether they are businesses. They have to live with that discipline.

I come from a small business background. I know what it is like to be able to put that dynamic together, that dynamic that seems to be missing from Government, something that is

obvious, I think, to all of us in this body and to all of America, that we desperately need: We desperately need that discipline.

Now, finally, or once again, I should say, we have an opportunity. We have a great opportunity to be able to give that gift to the American people.

I have a little bit of background as a State legislator from the great State of New Jersey. We live with a balanced budget in the State of New Jersey and it works.

□ 2020

Yes, very often there are some tough decisions that have to be made. There are some tough choices. But that is what life is all about. And America has to make some tough choices. But I think this choice is relatively simple, and I would like to see us join together in a bipartisan fashion to be able to present this to the American people, something I believe they feel is long overdue that would bring Congress back into the real world that they live in.

MAINTAINING EFFECTIVE NUTRITION PROGRAMS IN FACE OF WELFARE REFORM

The SPEAKER pro tempore (Mr. GEKAS). Under a previous order of the House, the gentleman from Texas [Mr. DE LA GARZA] is recognized for 5 minutes.

Mr. DE LA GARZA. Mr. Speaker, as we begin the debate on welfare reform, let their be no mistake that the Democrats on the Committee on Agriculture welcome the opportunity to further reform the Food Stamp Program and the commodity distribution programs.

Those of us who have worked with these programs labored long and hard to make needed changes, but are well aware that there are areas where they can be further improved, as with any other good program. They can be made more responsive to the needs of poor people by encouraging them to attain self-sufficiency, and they can be made more efficient for the States that administer them. This is not to say that we haven't tried. We have.

But our challenge now is to make sure that in making these reforms we do not throw out the baby with the bathwater.

These are complex, well-intentioned, and largely successful programs. The Federal nutrition programs have reduced hunger in this country dramatically and improved the nutritional quality of the diets of poor families. We should not lose sight of that fact by rushing to pass legislation that could threaten the good work of these programs.

STATE CONCERNS

Two aspects of the nutrition block grant proposed in H.R. 4 could seriously threaten the effectiveness of our nutrition programs. First, all but eight States will be given less money in fiscal year 1996 under the block grant pro-

posal than they would receive under current law, and all States would eventually be given less money in the long run. For example, Texas would lose over \$1 billion, which would result in either a reduction in benefits or a denial of benefits to many needy families.

Second, the major nutrition programs, food stamps, school lunch, and school breakfast would no longer be entitlement programs. There would be a cap on the annual appropriations for the block grant. The cap would be adjusted each year for changes in population and food prices, but not for changes in unemployment or poverty. Congress could appropriate less, but not more than the cap.

That means that if there is an increase in poverty due to a recession, States will be unable to expand their nutrition programs to meet the increased need for nutrition benefits. It also means that every year States will need to fight at the Appropriations Committees for scarce funding for their nutrition programs.

AGRICULTURAL CONCERNS

Not only could the nutrition block grant have an adverse impact on the States, but it could also mean that less money is available to support food purchases and agricultural incomes.

Studies have shown that retail food spending might decrease when the same level of assistance is provided in cash instead of in food stamps. USDA estimates that there could be a reduction in retail food sales of between \$4.25 billion to \$10.5 billion. This decrease will result in reduced earnings of food manufacturing and distribution firms. And agricultural producers would, therefore, suffer decreases in farm income. For livestock, vegetables, and fruit producers alone, farm income could drop by as much as \$1 to \$2 billion.

In the short run, implementation of the block grant could result in a loss of 126,000 to 138,000 jobs, and rural areas would suffer the most because of their heavy dependence on the agriculture sector. In the short run, rural areas would lose twice as many jobs as metropolitan communities.

Under the block grant, almost all authorities for USDA to purchase and distribute food commodities to schools and other outlets, like TEFAP, would be eliminated. Although the proposal would add new authority for USDA to sell food commodities to States for food aid purposes, it is not clear how the Department would acquire the non-price-support commodities in the first place. The proposal would, therefore, make it impossible for USDA to stabilize markets for non-price-support commodities in times of surplus production.

Commodity distribution programs that now serve a dual purpose of supporting commodities in times of overproduction and providing those commodities to nutrition programs would no longer be available.